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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Fosun International Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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FOSUN 复星
FOSUN INTERNATIONAL LIMITED

(incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock code: 0656)

**DISCLOSEABLE TRANSACTION
FORMATION OF A JOINT VENTURE**

A letter from the board of directors of the Company is set out on pages 2 to 5 of this circular.

5 September, 2007

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the Company’s board of Directors;
“Company”	復星國際有限公司 (Fosun International Limited), a company incorporated in Hong Kong on 24 December 2004 with its shares listed and traded on the main board of the Stock Exchange;
“Directors”	the directors of the Company;
“Fosun Group”	上海復星高科技(集團)有限公司 (Shanghai Fosun High Technology (Group) Co., Ltd.), a wholly owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Hainan Steel”	海南鋼鐵公司 (Hainan Iron & Steel Company);
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Industrial Investment”	上海復星產業投資有限公司 (Shanghai Fosun Industrial Investment Co., Ltd.), a wholly owned subsidiary of Fosun Group;
“JV Contract”	the joint venture contract dated 15 August 2007 between the JV Parties in respect of the establishment of the JV;
“JV”	an equity joint venture which will be established in the PRC pursuant to the terms of the JV Contract;
“JV Parties”	Hainan Steel, Fosun Group and Industrial Investment;
“Latest Practicable Date”	23 August, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China (for the purpose of this circular excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan);
“RMB”	renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	The shareholders of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

FOSUN 复星

FOSUN INTERNATIONAL LIMITED

(incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock code: 0656)

Directors:

Executive Directors:

Mr. Guo Guangchang (*Chairman*)

Mr. Liang Xinjun

Mr. Wang Qunbin

Mr. Fan Wei

Mr. Ding Guoqi

Mr. Qin Xuetang

Mr. Wu Ping

Registered office:

Room 808

ICBC Tower

3 Garden Road

Central

Hong Kong

Non-Executive Director:

Mr. Liu Benren

Place of Business in PRC:

Fosun Business Building

2 East Fuxing Road

Shanghai, PRC

Independent Non-Executive Directors:

Dr. Chen Kaixian

Mr. Zhang Shengman

Mr. Andrew Y. Yan

5 September, 2007

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
FORMATION OF A JOINT VENTURE**

1. INTRODUCTION

Reference is made to the Company's announcement dated 17 August, 2007, in which the Directors announced that on 15 August, 2007, Fosun Group and Industrial Investment, both wholly owned subsidiaries of the Company, entered into the JV Contract with Hainan Steel in respect of the formation of the JV for the purposes of engaging in mining and exploitation of iron ore. The JV will be owned as to 40% by Hainan Steel, 20% by Fosun Group and 40% by Industrial Investment.

Given that the relevant percentage ratios involved are more than 5% but less than 25%, the JV Contract and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to notification requirements as set out in Rules 14.34 to 14.39 of the Listing Rules.

LETTER FROM THE BOARD

2. THE JV CONTRACT

The principal terms of the JV Contract are set out below:

Date:	15 August 2007								
Parties:	Hainan Steel, Fosun Group and Industrial Investment								
Purpose:	To engage in the mining and exploitation of iron ore								
Name of the JV:	海南礦業聯合有限公司 (Hainan Mining United Co., Ltd.)								
Place of incorporation and location of the JV:	Shilu Town, Changjiang County, Hainan Province, PRC								
Equity interest:	Percentage of equity interests in the JV to be held by the JV Parties are:								
	<table><tr><td>Hainan Steel</td><td>40%</td></tr><tr><td>Fosun Group</td><td>20%</td></tr><tr><td>Industrial Investment</td><td><u>40%</u></td></tr><tr><td>Total</td><td>100%</td></tr></table>	Hainan Steel	40%	Fosun Group	20%	Industrial Investment	<u>40%</u>	Total	100%
Hainan Steel	40%								
Fosun Group	20%								
Industrial Investment	<u>40%</u>								
Total	100%								

Capital contribution: The total investment and total registered capital of the JV will be RMB1.5 billion. Pursuant to the JV Contract, the JV Parties will make their contribution to the registered capital of the JV in proportion to their respective interests in the JV. Hainan Steel will contribute its share of the registered capital in kind including land use rights, buildings rights, iron ore mining rights and mining and manufacturing equipments, subject to the valuation of the assets (the "Assets"). The net value of the Assets to be contributed by Hainan Steel will be RMB600 million. Fosun Group and Industrial Investment will contribute their respective share of the registered capital in cash with an aggregate of RMB900 million. Apart from the above, there is no additional capital commitment from the JV Parties.

The funding of the capital contribution by Fosun Group and Industrial Investment will come from internal resources of the Group and not from the proceeds of the Company's initial public offering. The JV Parties will make full contribution of the registered capital within 30 business days from the effective date of the JV Contract.

The net profits, before and after taxation, minority interests and extraordinary items, attributable to the Assets for the nine months ended 30 September 2006 are RMB235.9 million and RMB207.6 million respectively. The above are unaudited figures and are prepared in accordance with the PRC Generally Accepted Accounting Principles.

Scope of business: Principal businesses include: Mining and exploitation of black, coloured and non-metallic iron ore and others (The above is subject to the verification and registration of the Administration for Commerce and Industry of Hainan Province).

LETTER FROM THE BOARD

The JV currently has no plan to engage in any activities relating to exploration of natural resources.

Board of directors: The Board shall consist of seven Directors, three of whom shall be nominated by Hainan Steel, one by Fosun Group and three by Industrial Investment. The first chairman of the board shall be recommended by Fosun Group.

Management organization: The JV will have one general manager. The first general manager will be recommended by Hainan Steel, who will be responsible for the daily management and operation of the JV. The JV shall establish a supervisory committee consisting of 3 members. Hainan Steel and Fosun Group will each nominate one member and the representative of the labour union of JV will be the third member of the supervisory committee.

Term: 50 years from the date of issue of its business license.

Conditions President: The JV Contract is subject to the approval of the relevant PRC government authorities.

3. REASONS FOR AND BENEFIT OF ENTERING INTO THE JV CONTRACT

By entering into the JV contract, the Directors believe that it will provide a good opportunity for the Group to enhance its competitiveness in furtherance of its business in iron ore mining and exploitation. The Board considers the Group may share valuable market experiences and management skills and with that creates synergistic effects and further enhance its market position in iron ore mining and processing, in particular in Hainan province.

The terms of the JV Contract were negotiated on an arm's length basis and were determined on normal commercial terms. The Directors, including the independent non-executive directors, believe that the terms of the JV Contract are fair, reasonable and in the best interests of the Company and the Shareholders as a whole.

4. FINANCIAL EFFECTS OF THE JV CONTRACT ON THE GROUP

The formation of the JV will not have immediate significant effect on the Group's earnings, after taking into account that the JV will only be operating for the remaining few months in the current year and the foregone interest income associated with the contribution of registered capital to be funded by cash from the Group's internal resources.

No accountants' report on the JV has been prepared as the JV has yet to be established. The formation of the JV has no immediate significant impact on the net assets, net tangible assets, assets and liabilities of the Group.

5. INFORMATION ON THE GROUP, HAINAN STEEL, FOSUN GROUP AND INDUSTRIAL INVESTMENT

The principal activities of the Group are: (i) steel; (ii) property development; (iii) pharmaceuticals, (iv) investments in retail business; and (v) financial services and strategic investments, which operate through Fosun Group. Industrial Investment are wholly owned subsidiary of the Fosun Group and it is an investment holding company.

The principal business of Hainan Steel are mining and exploitation of iron ore.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Hainan Steel and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company as defined under the Listing Rules.

Given that the relevant percentage ratios involved are more than 5% but less than 25%, the JV Contract and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to notification requirements as set out in Rules 14.34 to 14.39 of the Listing Rules.

6. GENERAL

Your attention is also drawn to the further information contained in the Appendix to this circular.

Yours faithfully,
Guo Guangchang
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(A) Directors interests in securities

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies had been notified to the Company and the Stock Exchange, were as follows:

(1) *Long positions in the Shares, underlying Shares and debentures of the Company*

Name of Director/chief executive	Number of Shares	Type of interests	Approximate percentage of shareholding immediately after the Global Offering
Guo Guangchang	5,000,000,000	Corporate	77.7%

(2) *Long position in the shares, underlying Shares and debenture of the Company's associated corporations (within the meaning of Part XV of the SFO):*

Name of Director/chief executive	Name of associated corporation	Number of Shares	Type of interests	Approximate percentage of shareholding immediately after the Global Offering
Guo Guangchang	Shanghai Fosun Pharmaceutical (Group) Company Limited	76,050	Individual	0.005%
Wang Qunbin	Shanghai Fosun Pharmaceutical (Group) Company Limited	76,050	Individual	0.005%
Qin Xuetao	Shanghai Fosun Pharmaceutical (Group) Company Limited	76,050	Individual	0.005%

Note:

- (1) 5,000,000,000 Shares are deemed corporate interests through Fosun Holdings and Fosun International Holdings pursuant to Division 7 of Part XV of the SFO.

(B) Substantial shareholders' interests in securities

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as was known to the Directors of the Company, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a subsidiary of the Company, or in any options in respect of such share capital were as follows:

Name	Number of shares directly or indirectly held	Approximate percentage of issued Share capacity (%)
Fosun Holdings	5,000,000,000	77.7%
Fosun International Holdings ⁽¹⁾	5,000,000,000 ⁽²⁾	77.7%
Guo Guangchang ⁽³⁾	5,000,000,000	77.7%
Liang Xinjun ⁽⁴⁾	1,100,000,000	17.1%

Notes:

- (1) Fosun International Holdings is held by Messrs. Guo Guangchang, Liang Xinjun, Wang Qunbin and Fan Wei with 58.0%, 22.0%, 10.0% and 10.0% equity interests, respectively.
- (2) Fosun International Holdings is the beneficial owner of all the issued shares in Fosun Holdings and, therefore, Fosun International Holdings is deemed, or taken to be, interested in the Shares owned by Fosun Holdings for the purposes of the SFO.
- (3) Such shares represent the deemed interest of Mr. Guo Guangchang by virtue of his 58.0% shareholding in Fosun International Holdings.
- (4) Mr. Liang Xinjun will be beneficially interested in 17.1% in the Company through his 22% shareholdings in Fosun International Holdings.

Save as disclosed herein so far as is known to the Directors, as at the Latest Practicable Date, no person (not being a Director of the Company) had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a subsidiary of the Company, or in any options in respect of such share capital.

3. SERVICE CONTRACT

Each of the Directors of the Company has entered into a service contract with the Company for a term of not more than three years, which can be terminated by either party by giving a prior written notice of three months to the other party.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or proposed Directors had any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the relevant employer within one year without payment of compensation other than statutory compensation).

4. INTEREST IN COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or their respective associates has any interest in other business which competes or is likely to compete with the business of the Group.

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other members of the Group was engaged in any litigation or arbitration of material importance and, as far as the Directors are aware, no litigation or claim of material importance is pending or threatened against the Company or any other members of the Group.

6. MISCELLANEOUS

- (A) The company secretary of the Company is Mr. Law Siu Wo. Mr. Law is a member of the American Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (B) The registered office of the Company is situated at Room 808, ICBC Tower, 3 Garden Road, Central Hong Kong. The branch share registrars of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Rooms 1712-16 Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (C) The English text of this document shall prevail over the Chinese text in the case of inconsistency.